GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:301
ANSWERED ON:26.04.2016
Machine Tool Industry
Patel Shri Prahlad Singh

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has any proposal to expedite augmenting of the capacity of machine tool industry in the country;
(b) if so, the details thereof;
(c) whether the Government proposes to encourage international companies to start Research & Development (R&D) activities in order to meet the future requirements of various industries in the country; and
(d) if so, the details thereof and the steps taken so far in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI G.M. SIDDESHWARA)

(a) & (b): Yes. No license is required for setting up of Machine Tools manufacturing unit in the country. Presently 100% Foreign Direct Investment is allowed through automatic route in Machine Tools Industry. Further, keeping in view the strategic nature of Capital Goods which includes Machine Tools Industry as a very important sub-sector, a Scheme for enhancement of competitiveness in the Indian Capital Goods Industry has been launched by the Department of Heavy Industry. Under the said Scheme there is a component of setting up Integrated Industrial Infrastructural facilities (IIFC) for Machine Tools Industry and the proposal of Karnataka Government for setting up the Machine Tools Park near Tumkur has been approved by the Government. This is expected to augment the capacity of machine tool industry in India.
In addition to IIFC, there is a component of Setting up Centre of Excellence for technology development (CoE) under which setting up of a COE at IIT Madras with six industry partners for development of 11 Machine Tool technologies has also been approved by the Government. Development of advance technology is likely to result in import substitution and increased capacity in domestic manufacturing of Machine Tools.
Details of the Scheme and its components are available in the Department of Heavy Industry website at dhi.nic.in.
(c) & (d): Government of India has signed a Memorandum of Understanding on 5th October, 2015 with M/s. Fraunhofer Society, Germany − an applied research organization of global repute, on technology collaboration in the field of manufacturing including capital goods industry. Machine Tools industry is an important sub-sector of capital goods sector. Under the component of technology acquisition fund programme of the Scheme on "Enhancement of the Competitiveness in the Indian Capital Goods Sector" a proposal from HMT Machine Tools Ltd. for joint research and development in the Machine Tool sector with M/s. Fraunhofer Socitey, Germany, has been approved. Two project namely (a) Upgradation of four Guideway CNC Lathe and (b) Acquisition of higher C Axis accuracy of Turn mill Centre in collaboration with M/s. Fraunhofer Socitey, Germany, with project outlays of Rs. 4.4 Crore and Rs. 1.1 Crore respectively have been approved.
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